

STATE OF NEVADA
GAMING CONTROL BOARD
INTERNAL CONTROL PROCEDURES

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~~Note: The term "key employee" as used in these standards is defined in Regulation 22.~~

Note 1: The term "voucher" as used in these standards refers to a printed wagering instrument that has a fixed dollar wagering value and is redeemable for cash or cash equivalents.

Note 2: The term "SAM" as used in these standards refers to a "self activated machine" that is used for placing wagers and includes betting kiosks.

~~System Security Standards~~

- ~~1. Access to the computer system is adequately restricted (e.g., passwords are changed at least quarterly, access to computer hardware is physically restricted, etc.).~~
- ~~2. Procedures have been developed for use in case of hardware failure, power failure, fire, etc.~~

~~Betting Ticket and Equipment Standards~~ **Procedures**

- ~~3. All race and sports book wagers must be transacted through the computer system. In case of computer failure, tickets may be written up to 24 hours after the failure in accordance with the requirements of Regulation 22. In those instances where system failure has occurred and tickets are manually written, a log will be maintained which includes:
 - ~~a. Date and time of system failure.~~
 - ~~b. Reason for failure.~~
 - ~~c. Date and time system restored.~~~~
- ~~4. All manually written and/or paid tickets are entered into the computer system as soon as possible to verify the accuracy of the write and the payout (this does not apply to purged, unpaid winning tickets). All manually paid tickets must be regraded as part of the end-of-day audit process should the computer system be inoperative.~~

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5. 1. The time generated by the computer during ticket writing is tested each day by a supervisor independent of the ticket writing and cashiering function (this employee may also be independent of the book). For outstation and satellite books this test is performed at the location of the main computer.

2. Race and sports books must contact the Naval Observatory Master Clock to verify the correct time each day events are held and wagers are accepted. The main computer should then be adjusted as required.

Note 1: A telephone number for the Naval Observatory Master Clock is (202) 762-1401.

Note 2: This standard is inapplicable to outstation and satellite books if the time cannot be changed by employees of such books.

Note 3: This standard is not applicable when the time within the computer system is kept accurate through the use of an automated update process.

6. 3. The test, and any adjustments necessary due to discrepancies, is documented in a log (or in another equivalent manner) which includes the station number, date, time of test, time per computer, name or signature of the employee performing the test, and any other relevant information. For outstation and satellite books the logs must be made available at each licensed location upon request.

7. 4. All date, time, and numerical sequence stamping machines used by the book (for parlay cards, voiding cards/tickets, and payouts) are directly and permanently wired to the electrical supply system (or in another approved manner) **or have a back-up power source to ensure an accurate time in the event of power loss to the machines.**

8. 5. Only ~~maintenance, engineering or security employees/personnel~~ **personnel independent of the book** have access to fuses or fuse-like devices used in connection with the machines.

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- ~~9~~ **6.** At least once during each eight hours of operation each book **day** **someone independent of the ticket writing function** examines and tests the stamping machines to ensure their date and time accuracy to the nearest minute. **For satellite books this test can be performed by the ticket writer.**
- ~~10~~ **7.** The above test is performed by an employee independent of the ticket ~~writing function.~~ For books with casino operations **and for outstation books,** the above test is performed at least weekly by ~~an employee~~ **someone** independent of the book.
- ~~11~~ **8.** The test, and any adjustments necessary due to discrepancies, is documented in a log (or in another equivalent manner) which includes the station number, date, time of test, time on machine, name or signature of employee performing the test, and any other relevant information.
- ~~12~~ **9.** Keys (originals and all duplicates) to the date, time and numerical sequence stamping ~~devices~~ **machines** are maintained and used by a department or ~~employees~~ **personnel** who are independent of the ticket writing and cashiering functions.

Wagering Standards **Procedures**

- 10.** **All transfers of chips/cash between writer banks and cashier banks are properly authorized and documented.**
- ~~13~~ **11.** Whenever a betting station is opened for wagering or turned over to a new writer, the ~~betting ticket~~ writer signs on and the computer documents the writer's identity, the date and time, and the fact that the station was opened ~~on either the unused ticket that is first in sequence or in a separate report.~~
- ~~14~~ **12.** Whenever the betting station is closed or the writer is replaced, the writer signs off and the computer documents the date and time, and the fact that the station was closed ~~out on either the unused ticket that is next in sequence after the last ticket written or in a separate report.~~

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- 15- **13.** Upon accepting a wager, a betting ticket is created ~~which consists of at least three parts~~ **in duplicate as follows:**

- a. An original which is transacted and issued through a printer and given to the patron.

Note: If a wager is placed using communications technology an original betting ticket does not need to be created. Regulation 22.140(9) requires that all wagering communications shall be electronically recorded (separate from the computerized race and sports system) and retained for a period of 60 days.

- b. A **restricted** copy which is recorded concurrently with the generation of the original ticket ~~either on paper or other storage media (e.g., tape or diskette)~~ **and is not accessible to book employees.**

- ~~c. An internally recorded copy to which access by book employees is adequately restricted.~~

- 16- **1.** If a book voids a betting ticket then:

- a. ~~The word "void"~~ **A void designation** is immediately written/stamped and the date and time at which the ticket was voided is stamped on the original **branded by the computer on the ticket.**
Alternatively, a ticket can be voided manually in the computer system by inputting the ticket sequence number and immediately writing/stamping a void designation on the original ticket.
- b. ~~A key employee and one other employee signs the ticket at the time of voiding~~ **For not-in-computer voids, the date and time at which the ticket was voided is stamped on the original.**
- c. **All voids are signed by the writer/cashier and the supervisor at the time of the void. For satellite books the second signature can be a supervisor of the host property.**

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17. ~~The computer system shall adequately document supervisory approval for appropriate transactions, as applicable.~~

Wagering Cutoff

18. **2.** A sporting event wager is not accepted after the start of the event unless "in progress" or a similar notation is ~~written~~ **indicated** on the original and each copy of the betting ticket, and ~~unless a key employee other than the ticket writer initials the original and each copy of the ticket~~ **the computer system documents the supervisor's approval.**

Note: The second half of a football game, for example, is considered a separate event when set up in the computer system as an independent event for accepting wagers.

19. **3.** A race wager is not accepted after the occurrence of post time, as defined in Regulation 22.
20. **4.** The cutoff time for event wagering will be set up or established in the computer in accordance with the provisions of Regulation 22.
21. **5.** The computer either is incapable of transacting/accepting a wager subsequent to the above cutoff times or produces a report which specifically identifies such wagers.
22. **6.** The computer either is incapable of voiding a ticket subsequent to the cutoff time or produces a report which specifically identifies such voided tickets.
23. **7.** The computer is incapable of establishing or changing a cutoff/starting time to a time that is earlier than the current time of day.
24. **8.** Tickets will not be written or voided after the outcome of an event is known.
- 9.** **A gaming establishment that is only licensed for a sports pool (and not a race book) cannot accept a race wager on any event held at a track which uses the pari-mutuel system of wagering.**

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Noncash Wagers

- 10. Within 24 hours after the end of a designated 24-hour period, noncash multiple transaction logs created pursuant to Regulation 22.062(2) are submitted to the accounting department.**
- 11. If book wagering reports are prepared by the race and sports book pursuant to Regulation 22.061(6), the completed book wagering reports are submitted to the accounting department by no later than 24 hours after month end.**

Payout Standards **Procedures**

25. Prior to patrons receiving payouts on winning tickets, results are input into the computer's administrative terminal for computerized grading of all wagers.
26. Prior to making payment on a ticket/**voucher** or crediting the winnings to the patron's account, ~~the cashier inputs the ticket sequence number into the cashier's terminal.~~

~~Note: Alternatively, the computer system may automatically update the patron's account when the event results are posted.~~

- a. The cashier inputs the ticket/voucher sequence number into the cashier's terminal; or**
 - b. For account wagers the computer system automatically updates the patron's account when the event results are posted.**
27. Upon computer authorization of payment, ~~the patron is paid,~~ the patron's copy is marked "paid," noted with the amount of payment, and date stamped **immediately written/stamped or branded by the computer with a paid designation, and noted with the amount of payment and date.**

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- 28.** **In case of computer failure, tickets may be paid. In those instances where system failure has occurred and tickets are manually paid, a log will be maintained which includes:**
- a. Date and time of system failure.**
 - b. Reason for failure.**
 - c. Date and time system restored.**
- 29.** **All manually paid tickets are entered into the computer system as soon as possible to verify the accuracy of the payout (this does not apply to purged, unpaid winning tickets). All manually paid tickets must be regraded as part of the end-of-day audit process should the computer system be inoperative.**
- ~~28.~~ **30.** **For all payouts which are made without computer authorization, documentation supporting and explaining such payouts is maintained the date and time must be stamped on the patron's copy.**
- 31.** **Documentation supporting and explaining payouts made without computer authorization is:**
- a. Reviewed by the book manager or other authorized supervisory personnel, as evidenced by signature.**
 - b. Regraded as part of the end-of-day audit process.**
 - c. All hand pays are traced to the system transaction report or the purged tickets report to verify authenticity of the initial wager.**
 - d. Appeasement payments (e.g., nonwinning ticket payouts resulting from a customer complaint or employee error) are not deductible from gross revenue.**
- ~~29.~~ **32.** **The computer is incapable of authorizing payment on a ticket/voucher which has been previously paid, a voided ticket/voucher, a losing ticket, or an unissued ticket/voucher.**

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~~30. For net winnings greater than \$10,000 (i.e., payout less initial wager) within 72 hours following the payment of a winning ticket an employee independent of the ticket verification confirms the integrity of the patron's copy by comparing it to, regrading, and initialing the transaction on the computer sales/transaction report and initialing the patron's copy.~~

33. Supervisory approval is required to access a patron's account when patron wagering, deposit or withdrawal activity has not occurred within the account for more than 180 days.

~~31.~~ **34. If a progressive pool is used for wagers, adequate documentation is retained regarding the rules.**

~~a. Adequate documentation is retained regarding the rules, increment procedures and any reductions in the progressive amounts.~~

~~b. The progressive amount is displayed in the book.~~

~~c. The progressive liability is recorded on a daily basis.~~

~~d. Audit personnel recalculate the progressive increment on a sample basis, at least once a week.~~

Promotional Payouts, Drawings and Giveaway Programs

35. The conditions for participating in promotional payouts, including drawings and giveaway programs, are prominently displayed or available for patron review at the licensed location.

36. Promotional payouts that are either deducted from gross gaming revenue, or are greater than or equal to \$100 and not deducted from gross gaming revenue, are documented to include the following:

a. Date and time.

b. Dollar amount of payout or description of personal property (e.g., car).

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c. Reason for payout (e.g., promotion name).

d. Signature(s) of the following number of employees verifying, authorizing, and completing the promotional payout:

1. Two employee signatures for all payouts of \$100 or more;
or

2. One employee signature for payouts of less than \$100 that are deducted from gross gaming revenue.

37. If the promotional cash payout is less than \$100 and is not deducted from gross gaming revenue, documentation is created to support bank accountability.

Contests/Tournaments

38. All contest/tournament entry fees, prize payouts, participant's wagering selections, and contest/tournament results are recorded in the computerized race and sports system.

Note: This standard is inapplicable to contests/tournaments that do not require entry fees.

39. When contest/tournament entry fees and payouts are transacted, they are recorded on a document which contains:

a. Patron's name.

b. Date of entry/payout.

c. Dollar amount of entry fee/payout (both alpha and numeric).

d. Signature or initials of individual completing transaction.

e. Name of contest/tournament.

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- 40. The contest/tournament entry fees and prize payouts are summarized and posted to the accounting records on at least a monthly basis.**
- 41. Contest/tournament rules are included on all entry forms/brochures and are prominently displayed or available for patron review at the licensed location. The rules must include at a minimum:**
- a. All conditions patrons must meet to qualify for entry into, and advancement through, the contest/tournament.**
 - b. Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool.**
 - c. The distribution of funds based on specific outcomes.**
- 42. Results of each contest/tournament are recorded and available for participants to review. The recording includes the name of the event, date(s) of event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category. The name of each winner is recorded and maintained but not made available to the participants unless authorized by management personnel.**
- 43. The aforementioned contest/tournament records are maintained for each event.**

Checkout Standards **Procedures**

- ~~32.~~ **44. For each writer and cashier station: The system indicates the amount of net cash that should be in each writer and cashier station. A supervisor is required to access this information.**
- ~~a. The system indicates the amount of cash that should be in a given drawer.~~

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~~b. Writers and cashiers are not permitted access to this information without supervisory approval.~~

33. **45.** For each writer station **and each cashier station.** a summary report is completed at the conclusion of each shift including:
- a. ~~Computation of net cash proceeds~~ **cash turned in** for the shift, **and any variances between the cash turn-in and the amount of net cash that the computer system indicates should be in each station.**
 - b. Signatures of two employees who have verified the net cash proceeds **turned in** for the shift.
34. ~~For each cashier station a summary report is completed at the conclusion of each shift including:~~
- ~~a. Computation of cash turned in for the shift.~~
 - ~~b. Signatures of two employees who have verified the cash turned in for the shift.~~

Employee Segregation

Note: Administrative functions include setting up events, changing event data, and inputting results at any time.

35. ~~Employees who write or cash tickets do not perform administrative or supervisory functions. (Administrative functions include setting up events, changing event data, and inputting results at any time. Supervisory functions include approving void tickets, large wagers and access to cash information in the computer.)~~
36. **46.** **Except for pari-mutuel wagers,** Race and sports book employees are prohibited from wagering on race/sports events while on duty, including during break periods. ~~(Race book employees are not prohibited from placing wagers from the customer area in the sports pool, and vice versa, during breaks.)~~

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- 47. The end-of-day report generation procedure must be performed by or observed by a person from an independent department.**
- 48. Employees who perform the supervisory functions of approving void tickets and over-the-limit wagers do not write tickets unless:**
- a. The only supervisory functions allowed are approvals for over-the-limit wagers and the voiding of tickets prior to post time.**
 - b. A supervisor, acting as a writer, may not authorize a void for a ticket which he wrote.**
 - c. All tickets written by a supervisor which are subsequently voided and all not-in-computer voids must be recorded in a log, used specifically for that purpose, which indicates the supervisor's/writer's name and the name of the person authorizing the void.**
 - d. The log must be forwarded to a department independent of the book (i.e., accounting/audit) on a daily basis for a 100% audit of voids for the proper signature, a void designation on the ticket, any indications of past-post voiding, and other appropriate regulation compliance. Any discrepancies noted and investigations performed must be documented in writing and maintained.**
 - e. A supervisor, acting as a writer, may not authorize an over-the-limit wager for a ticket he writes.**
 - f. A department independent of the book (i.e., accounting/audit) must perform a 100% audit of the exception report for any inappropriate use of the supervisory password. Any discrepancies noted and investigations performed must be documented in writing and maintained.**
- 49. Employees who have access to an administrative terminal or perform administrative functions do not write or cash tickets.**

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Generic Passwords for Casino Cage Cashiers

Note: A password is not considered generic if a supervisor signs onto a common terminal with his or her individual password and takes responsibility for a community bank used for race and sports payouts.

- 50. Generic passwords for the computerized race and sports book system are prohibited in the casino cage unless:**
- a. Each cashier redeems tickets from their assigned window bank.**
 - b. After verifying it as a winning ticket in the race and sports book terminal, the cashier then initials the patron's copy of the ticket, immediately date/time stamps the ticket at their assigned window, and then maintains the ticket in their cash drawer.**
 - c. Each cashier is assigned a unique date/time stamp used solely at their assigned window.**
 - d. Payouts of \$2,000 or more require the supervisor to input their approval code and to initial the ticket.**
 - e. Payouts of \$10,000 or more require management personnel independent of the cage department to input their approval code and to initial the ticket.**
 - f. A summary sheet is prepared which lists all of the cashiers working that shift, their assigned windows, the date/time stamp identification, and the total tickets cashed per cashier. The total of that report is then balanced to the total cashed per the race and sports book end-of-shift report.**
 - g. Any discrepancies noted and investigations performed are documented in writing and maintained.**

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Computer Reports

Note: Documentation equivalent to the following must be prepared for satellite books on a “per book” basis. Wagers placed using communications technology can be included in the documentation of the central site book that accepted and recorded the patron’s wager.

- 51. Adequate documentation of all pertinent race and sports book information is generated by the computer system.**
- 52. This documentation is restricted to authorized personnel.**
- ~~37.~~ **53. At least the following types of reports are maintained (if applicable): The documentation is created daily and includes, at a minimum:**
- a. ~~Write transaction report~~ **Ticket/voucher number.**
 - b. ~~Payout transaction report~~ **Date/time of transaction.**
 - c. ~~Telephone transaction report~~ **Type of wager.**
 - d. ~~Credit transaction report~~ **Team/horse identification.**
 - e. ~~Results report~~ **Amount of wager/payout (by ticket, by writer/cashier and in total).**
 - f. ~~Futures report~~ **Wagering activity by account (summary of account activity by transaction type and account balance).**
 - g. ~~Unpaid winners report~~ **Future wagers (by ticket, by dates of events, in total by day, and in total at the time of revenue recognition).**
 - h. ~~Exception report (e.g., past-post voids, past-post write, voids, odds changes)~~ **Unpaid winners/vouchers (by ticket/voucher and in total by day).**

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- i. ~~Daily recap report~~ Results (date/time of event per the cutoff time input to the computer, team names and team/horse identifications, and payout data).
- j. ~~Employee access listing.~~ Daily recap:
 - 1) Date.
 - 2) Total:
 - (a) Cash write for the day.
 - (b) Futures written for the day.
 - (c) Futures brought back into revenue (today's events).
 - (d) Accrual write: (a) less (b) plus (c).
 - (e) Cash paid out on prior days' events.
 - (f) Cash paid out on today's events.
 - (g) Cash payouts for the day.
 - (h) Unpaid tickets for the day.
 - (i) Accrual payouts: (f) plus (h).
 - (j) Unpaid winners brought back into revenue.
 - (k) Taxable revenue: (d) less (g) or (a) less (g).
 - (l) Book (accounting) revenue: (d) less (i) plus (j).
- k. Exception information (sorted by exception type), including:
 - 1) Voids, past-post voids, past-post write.

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2) Changes in odds, cut-off times, results, event data.

3) All supervisory approvals/overrides.

I. Daily personnel access listing which includes at a minimum:

1) Employee name and title or position.

2) Employee identification.

3) Listing of functions employee can currently perform or
equivalent means of identifying same.

Note: This listing may be archived daily in lieu of printing.

38. ~~The reports contain at least the following information:~~

~~a. Write, payout, telephone and credit transaction reports (daily):~~

~~(1) Ticket number.~~

~~(2) Date/time written/paid.~~

~~(3) Type/amount of wager.~~

~~(4) Horse/team identification.~~

~~(5) Amount of payout.~~

~~(6) Telephone identification.~~

~~(7) Total by telephone account, writer/cashier and day.~~

~~b. Futures report (daily or when applicable):~~

~~(1) Ticket number.~~

~~(2) Date/time written.~~

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~~(3) Amount of wager.~~

~~(4) Future wagers for the day by total and broken out by dates of events.~~

~~(5) Summary of future wagers by dates of events and in total at the time of revenue recognition.~~

~~c. Unpaid winners report (daily):~~

~~(1) Ticket number.~~

~~(2) Date/time written.~~

~~(3) Amount of wager/payout.~~

~~(4) Totals.~~

~~d. Exception report (daily):~~

~~(1) Ticket number.~~

~~(2) Date/time written.~~

~~(3) Type/amount of wager.~~

~~(4) Exception.~~

~~(5) Time of exception.~~

~~(6) Summary by exception (list sorted by exception type).~~

~~e. Results report (daily):~~

~~(1) Date and time of event per the cutoff time input to the computer.~~

~~(2) Team names and team and horse number.~~

~~(3) Event results and any other relevant payoff data.~~

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f. ~~Daily recap report:~~

~~(1) Date.~~

~~(2) Total:~~

~~(a) Cash write for the day.~~

~~(b) Futures written for the day.~~

~~(c) Futures brought back into revenue (today's events).~~

~~(d) Accrual write — (a) less (b) plus (c).~~

~~(e) Cash paid out on prior day's events.~~

~~(f) Cash paid out on today's events.~~

~~(g) Cash payouts for the day.~~

~~(h) Unpaid tickets for the day.~~

~~(i) Accrual payouts — (f) plus (h).~~

~~(j) Unpaid winners brought back into revenue.~~

~~(k) Taxable revenue — (d) less (g) or (a) less (g).~~

~~(l) Book (accounting) revenue — (d) less (i) plus (j).~~

g. ~~Employee access listing:~~

~~(1) Name.~~

~~(2) Employee identification number.~~

~~(3) Listing of functions employee can perform or equivalent means of identifying same.~~

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Accounting and Audit Functions

Note: Board approved software may be used to perform some of the accounting/audit standards.

- 54. Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) is maintained evidencing the performance of race and sports audit procedures, the exceptions noted and follow-up of all race and sports audit exceptions.**
39. **55. The race and sports book accounting and audit procedures are performed audit is conducted by employees who are someone independent of the transactions being audited/accounted for race, sports, and pari-mutuel operations.**

Note: Such personnel may also perform the audit function for the outstation book of affiliated properties (and vice versa).

Accounting Standards

~~Note: An adequate alternative software analysis may result in reducing the following two requirements, if it is to the satisfaction of the Audit Division.~~

- 56. At least weekly:**
- a. All winning tickets, vouchers, and cash are removed from the SAM by at least two employees.**
 - b. SAM winning tickets and vouchers are ultimately delivered to the accounting department. Cash is immediately delivered to an appropriate area of accountability.**
 - c. Winning tickets and vouchers deposited in each SAM are reconciled to the totals of SAM activity produced by the system. All variances are investigated, investigation results documented and maintained.**

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d. The actual cash turn in from each SAM is reconciled to the amount reported by the system. All variances are investigated, investigation results documented and maintained.

40. **57.** ~~For a minimum of two writer stations per shift per month (rotated among writers and between race and sports) accounting personnel:~~ **At least annually, accounting/audit personnel will foot the write on the restricted copy of written tickets for a minimum of three writers for each race book and three writers for each sports pool and trace the total to the total produced by the system.**

~~a. Foot the sequentially connected copy of written tickets and trace the totals to those produced by the system.~~

~~b. Review the connected copies for sequential numbering and document follow-up on missing numbers or blank tickets.~~

41. **58.** Accounting/**audit** personnel foot the customer copy of paid tickets for a minimum of one cashier station per month and trace the totals to those produced by the system.

59. At least annually for one day, accounting/audit personnel foot the cashed vouchers and trace the totals to those produced by the system.

42. **60.** **Daily,** ~~the~~ write and payouts are compared to the cash proceeds/disbursements with a documented investigation being performed on all large variances (i.e., overages or shortages greater than \$100.00 per writer/cashier).

~~Auditing Standards~~

43. **61.** **Daily,** ~~For all~~ **sports book** winning **tickets** and ~~voided sports book tickets and parlay card tickets in excess of \$10,000, for all winning and voided race book~~ **winning** tickets in excess of \$1,000, and for a random sample of .2% (two tenths of one percent) of all other winning race book and sports book tickets:

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- a. The tickets are recalculated and regraded using the computer record of event results.
- b. The date and starting time of the event/race per the results report are compared to the date and time stamp on the ticket and in the computer sales/transaction report.
- c. The terms of the wagers (e.g., point spreads, money-lines, etc.) per the computer sales/transaction report or per the results report (if that summary lists all point spreads and money lines at which wagers were written or if an equivalent report satisfying this requirement is produced) are reviewed and compared to an independent source for extravagant or questionable activity.

44. **62.** **Daily.** For all voided tickets:

- a. The computer reports which display voided ticket information are examined to verify that tickets were properly voided prior to the cutoff times for event wagering.
- b. The voided tickets are examined for the word "void" **a void designation** and proper signatures.

45. **63.** **Daily.** The book's computerized summary of events/results report is traced to an independent source for 5% of all sporting events and 5% of all races to verify the accuracy of starting times (if available from an independent source) and final results.

46. **64.** Exception reports are reviewed on a daily basis for propriety of transactions and unusual occurrences. **including:**

a. Changes to the personnel access listing.

b. Changes in odds, cut-off times, results, event data.

47. **65.** Any investigation performed regarding the exception reports is documented.

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48. **66.** At least one day per calendar quarter, the computer-generated reports are reviewed for proper handling of future wagers, unpaid winners and telephone **wagering** accounts.
- 67.** **If book wagering reports are prepared by the race and sports book, accounting/audit personnel reviews all noncash multiple transaction logs to ensure book wagering reports have been completed for all reportable transactions pursuant to Regulation 22.061.**
- 68.** **If book wagering reports are not prepared by the race and sports book, accounting/audit personnel reviews all noncash multiple transaction logs and prepares book wagering reports for all reportable transactions pursuant to Regulation 22.061.**
- 69.** **The book wagering report is signed by the employee that prepared the report.**
- 70.** **Accounting remits all book wagering reports to the Board in accordance with Regulation 22.061(6).**
- 71.** **Monthly, accounting/audit personnel review all contests, tournaments, promotional payouts, drawings, and giveaway programs to determine proper accounting treatment and proper win/loss computation.**
- 72.** **For all contests, tournaments, promotional payouts, drawings, and giveaway programs the following documentation is maintained:**
- Note: Promotional payouts include payouts resulting from computerized player tracking activity.**
- a. Copies of the information provided to the patrons describing the contests, tournaments, promotional payouts, drawings, and giveaway programs (i.e., brochures, flyers).**
- b. Effective dates.**

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- c. Accounting treatment, including general ledger accounts, if applicable.
73. Monthly, accounting/audit personnel perform procedures (i.e., interviews, review of payout documentation, etc.) to ensure that promotional payouts, drawings, and giveaway programs are conducted in accordance with conditions provided to the patrons.
74. Daily, accounting/audit personnel reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document and computerized system report.
75. When payment is made to the winners of a contest/tournament, accounting/audit personnel will reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made. This reconciliation is to determine whether based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules.
76. Monthly, accounting/audit personnel reconcile gross revenue from the accounting records to the monthly NGC tax return. This reconciliation is documented and maintained. All variances are reviewed, documented, and maintained.
77. Monthly, accounting/audit personnel review the accounting records and the NGC-31 report to ensure that the write and win has been properly reported according to the appropriate revenue area (i.e., nonpari-mutuel race write and win listed under race, pari-mutuel race write and win included under pari-mutuel race, etc.).

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- 78. Monthly, accounting/audit personnel review the NGC-32 form to determine that all nonpari-mutuel race wagers (including race wagers accepted in the sports pool) have been reported, broken out by disseminator and by track. If a single wager is accepted involving more than one track (i.e., a parlay card or parlay wager off the board), determine that the wager is apportioned on a pro rata basis to each track.**
- 79. Monthly, accounting/audit personnel reconciles the information on the NGC-32 form to pari-mutuel and nonpari-mutuel handle (write) and win information reported on the corresponding NGC-31 report, with the reconciliation documented and any variances investigated.**
- 80. Monthly, a copy of the original NGC-32 form that was submitted to the Board is forwarded to the respective disseminators in accordance with Regulation 20.**
- 81. Quarterly, an inventory of all sensitive race and sports keys is performed and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigations being documented.**
- 82. If a progressive pool is used for wagers, accounting/audit personnel recalculate the progressive increment based on the wagering activity, at least once a week. Any variance is reviewed with the investigation results documented and maintained.**

Statistics

- 49- **83.** Reports are maintained for each month and year-to-date (or as otherwise specified by regulation) which indicate the total amount of wagers accepted, total amount paid out on winning wagers, the net amount won by the book, and the win-to-write percentage for:
- a. Each sport (e.g., baseball, basketball, football, hockey, golf, boxing, etc.) ~~as required by Regulation 22.~~

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b. Sports parlay cards.

c. Horse/greyhound racing.

50. **84.** This information is presented to and reviewed by management independent of the race and sports book on at least a monthly basis.
51. **85.** The above referenced management investigates any unusual statistical fluctuations with race and sports book personnel. This review will be performed by comparing the current period statistics for each type of event with those of applicable prior periods.
52. **86.** The results of such investigations are documented in writing and maintained for at least five years.

~~Telephone Wagering (if applicable)~~

53. ~~Procedures are established to ensure the proper identity of patrons making wagers over the telephone (e.g., account numbers or codes) to verify that the patron is calling from Nevada.~~
54. ~~Prior to accepting a wager over the phone, the bettor appears at the book and has evidence of his identity and residence verified by a book employee.~~
55. ~~At the time of establishing the account the employee records the patron information required by Regulation 22 and prepares a statement supporting the verification of the information by signature and a key employee signature.~~
56. ~~For each account a detailed record is maintained to document each wagering transaction and all deposits/withdrawals for that account.~~

~~Credit Wagering (if applicable)~~ **Accounts**

57. ~~An account is not established until a documented credit check has been performed on the patron.~~

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58. ~~All credit limits in excess of a specified amount (not to exceed \$20,000) are approved in advance by management independent of the book, if possible, or at a minimum by an employee at the level of book manager.~~
59. ~~The record of each account includes the patron's name and address, each extension of credit, payment on credit, and current balance.~~
60. ~~A master listing of all credit accounts is prepared and reconciled to the individual account balances at least monthly.~~
61. ~~At specific intervals (to be determined by management) and upon failure of the patron to make payment within a reasonable time (to be determined by management) the licensee pursues collection of the patron's debt.~~

87. Race and sports book credit is not allowed.

Computerized Player Tracking Systems

Note: Compliance with the following standards is required for all computerized race/sports player tracking systems.

- 88. The player tracking system is secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.).**
- 89. The addition/deletion of points to player tracking accounts other than through actual play must be sufficiently documented (including substantiation of reasons for increases) and authorized/performed by supervisory personnel of the player tracking, promotions, race and sports departments. The addition/deletion of points to player tracking accounts authorized by supervisory personnel is documented and is randomly verified by accounting/audit personnel on a quarterly basis.**

Note: This standard does not apply to the deletion of points related to inactive or closed accounts through an automated process.

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- 90. Employees who redeem points for members cannot have access to inactive or closed accounts without supervisory personnel authorization.**
- 91. Patron identification is required when redeeming points without a race and sports card.**
- 92. Changes to the player tracking system parameters, such as point structures and employee access, must be performed by supervisory employees independent of the race and sports department. Alternatively, changes to player tracking system parameters may be performed by race and sports supervisory employees if sufficient documentation is generated and the propriety of the changes are randomly verified by supervisory employees independent of the race and sports department on a monthly basis.**
- 93. All other changes to the player tracking system must be appropriately documented.**

Payout Procedures for Mail-In Winning Race and Sports Tickets

- 94. Accounting/audit personnel or personnel independent of the race and sports book receive the original winning race/ sports ticket.**
- 95. Accounting/audit personnel or personnel independent of the race and sports book record the winning race/sports ticket on a log as a mail pay. The log includes the date received, patron's name, and race/sports ticket number.**
- 96. The winning race/sports ticket is entered into the computer system for validation and then cancellation as a mail pay.**
- 97. Accounting/audit personnel compare the "paid" winning race/sports tickets to the mail pay log and the system report for paid winning race and sports tickets. Any discrepancies are documented and reviewed with race and sports and accounting management personnel.**

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- 98. Accounting/audit personnel, independent of the individual(s) that processed the mail pay winning ticket, reviews the patron's correspondence submitted, the winning race/sports ticket (only for winning tickets exceeding \$150), the mail pay log and the system report for "paid" winning race and sports tickets for any discrepancies. Any discrepancies are documented and resolved prior to remitting the proper payment amount to the patron.**